1950 **File No.** O.L.F. Audit

Legal Deptt. /50

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Subject:— Opinions under the Bombay Local Fund Audit Act 1930 and Rules made there under (1931)

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Local Bodies.

Irregularities committed by -- cases of misappropriation, embezzlements etc. in local bodies prompt action and prosecution of culprits in the event of --

GOVERNMENT OF BOMBAY.

Local Self Government and Public Health Department.

CIRCULAR No.693/33,

Bombay Castle, 1st April 1950.

CIRCULAR OF GOVERNMENT.

Under Government Memorandum, General Department No.693/33(A) dated the 6th June 1935 local bodies were requested that in compliance with Rule 32 of the Bombay Local Fund Audit Rules of 1931, they should promptly report to the Examiner, Local Fund Accounts, and to the other officers concerned as required by the Rule, any cases of defalcation or loss of money or stores discovered by them. It had ten come to the notice of Government that in cases of embezzlement etc. adequate action was not always taken against the offenders, and persons concerned in embezzlement were sometimes let off with a warning or a stoppage of annual increment or reduction of pay or their services were dispensed with on their making good the amounts embezzled. Government had, therefore, reminded local bodies that it was incumbent on them to take drastic action in all such cases and if there was a prima facie case to report it promptly to the police for investigation in the case of a cognizable offence and to lodge a complaint before a magistrate empowered to take cognizance under section 190 of the Criminal Procedure Code in the case of a non-cognizable offence, Government had further requested

local

local bodies to give all possible assistance to the police in their investigations and to the prosecution in conducting cases to the courts.

It has now again been reported that several instances of mis-appropriation of amounts of local bodies have occurred but local bodies have not taken any adequate steps against the persons concerned in the misappropriation and that in most of the cases the penalties awarded to such persons were unduly light. The attntion of local bodies is, therefore, again invited to the instructions contained in Government Memorandum, General Department, No.693/33(a) dated the 6th June 1935 and they are requested to take prompt and adequate action in all cases of misappropriations as requested therein. They are also advised to see that necessary steps to make good the loss arising from such mis-appropriations etc. are taken as expeditiously as possible by resorting, where necessary, to civil suits against the person concerned and his sureties if any.

By order of the Governor of Bombay,

B. J. JOSHI,
Under Secretary to Government.

To

All Commissioners,

x x x x

All Departments of the Secretariat
(except the Separate Department).

MRP.-
8/6/56.

Office of the R.L.A.

Bombay Local Fund Audit Act, 1930.

Sec.13(2).

Since the surcharge order of the Commissioner imposes a joint and several liability, the decision of the District Court on the application filed by Shri Surti is likely to affect the liability of the other Councillors even though they have not applied to the District Court. The District Court's order directing the Commissioner not to proceed with his order may therefore be interpreted as extending to the claims against the other Councillors as well. No action should therefore be taken pending the disposal of Shri Surti's application.

Sd. P.M.Lad
19/8
Remembrancer of Legal Affairs.

U.R.to L.S.G.& P.H.D.,No.11895,dated the 21st August 1950.

MRP.
8/6/56.